

COUNTRY Syria
SUBJECT The Hakim Government
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SUPPLEMENT TO 25X1X
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1. Although the Hakim Government has been in power for a few weeks only (date of report, end of August 1951) it has successfully dealt with several delicate problems.
2. The first of these was the handling of the strike of the civil servants, which had been temporarily called off at the end of July pending consideration by Parliament of the claims of the strikers. The civil servants were due to resume their strike on 15 August if their demands had not been met. Through tactful handling of the situation Hakim was able not only to hold out against these demands without causing a strike, but also to begin to implement his policy of reducing the number of civil servants by retiring those that he considers redundant. His success in dealing with the civil servants is all the more meritorious when it is remembered that they enjoy the tacit support of the Army and Police and are egged on in their demands by Khalid al-Aim, who drafted the bill for increased pay and allowances. Kasan Hakim is opposed to this bill on grounds of economy.
3. The problem of the cost of bread supplied to the main towns also presented some difficulty. Kasan Hakim was unwilling to make the budget bear the cost of the increase in the price of flour. He therefore decided to make the richer consumers pay by increasing the price of the more expensive varieties of bread, while maintaining the price of the cheapest quality, which is eaten by the poorer classes, at its previous level. This decision was implemented successfully on 27 August with little trouble, in spite of the gloomy forebodings of the muhafizes of the main towns.
4. Although these successes have strengthened the Government, it still faces a good many difficulties. One of these is connected with relations between the Government and the Army; and another is the problem of handling the situation arising out of the drop in the price of cotton.

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-2-

5. In his dealings with the Army Hakim has maintained a dignified attitude, but the Populist Party leaders, who wish to have their own way in most things, and Ma'ruf Dawalibi, who is anxious to become Prime Minister himself, have put Hakim in an awkward situation over the question of the Muhafiz of Aleppo, Hani Rayyis. The latter, who was appointed by Khalid al-'Azam's Government only a few months ago, is related to Shishakli (who is fond of him) and is a follower of the Nationalist Party. He is much disliked by the Populist Party and in particular by Rushdi Zikha, who has sworn to have Rayyis removed from his post and is pressing Hakim to dismiss him. Source comments that, if Hakim agrees to dismiss Rayyis, he will annoy Shishakli and incur the criticism of the Nationalist press; if Hakim refuses, his Populist Party Ministers will become discontented. Hakim will probably compromise by transferring Hani Rayyis, with the latter's agreement, to another important post, source asserts.
6. The drop in the world prices of cotton will hit the growers and will also affect adversely the exchequer receipts. Khalid al-'Azam's budget estimates were based on an anticipated large increase of revenue from cotton growers. Now that the price of cotton has dropped, this will not materialize and, if the budget is to be balanced, reductions of Government expenditure will be needed. The task of deciding which budget grants shall be reduced will be difficult. According to source, if the task is tackled seriously it will even be a danger to the continued existence of the Government, since substantial economies can only be made by cutting Army grants, and the Army clique is certain to force out of office any Government which proposes this.

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